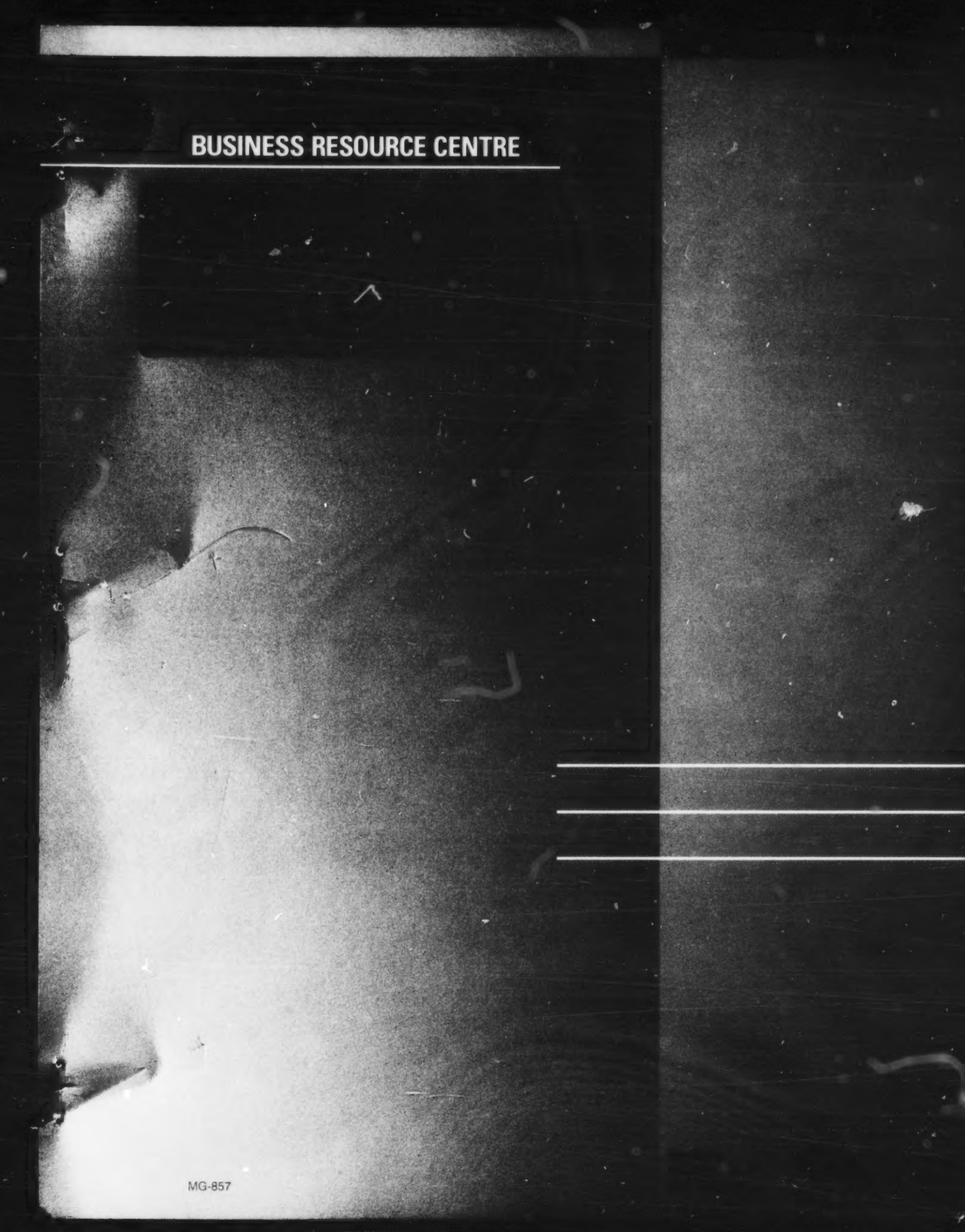

BUSINESS RESOURCE CENTRE
MG-857

A Place to Start:
Exploring New Business Ideas and Opportunities

'An opportunity is as real an ingredient in business as raw material, labour or finance - but it only exists when you can see it.'

- Edward de Bono

Introduction

Assuming you have made the decision to go into business for yourself, you will need an idea; a place to start. The seed that will germinate and, hopefully, grow and develop into a profitable enterprise. Ideas that succeed are difficult to find and hard to evaluate but are critical to the entire process of achieving success in a business of your own. There are very few examples of situations where extraordinary amounts of money or effort have overcome the problems associated with what was fundamentally a bad idea.

In some instances what was felt to be a good idea was the key element stimulating an individual to think of going into business for themselves. In others the lack of an acceptable concept was the principal factor holding back entrepreneurs who would otherwise have started a business of their own. Many of you may fall into this latter category. If so, it is important not to be in a hurry. It may take several years to fully develop and evaluate an idea which is suited to your particular circumstances and which you feel represents a real opportunity. Don't try to force the issue. Actively pursue a range of possible options but wait until the right situation presents itself before investing your time and money in a venture of your own.

Sources of New Business Ideas

For those of you who would like to have your own business but haven't developed an idea on which to base it, there are several different sources you can consider. None of these, however, offers a sure thing. The three best possibilities include:

a) Your Job

Prior work experience is the most common source of new business ideas. It has been estimated that as many as 85% of the new businesses started are based on product ideas similar to those of prior employers of the founders. When you think about it the attractions of starting a business in a field in which you have experience and expertise are obvious; you are already familiar with the products and services you will provide, you understand the competitive environment, you have some knowledge and understanding of customer requirements, you may already know several prospective clients, and so on.

Ideas from your previous employment can take several forms. For example, you might set yourself up as a self- employed consultant in some technical area using the background and experience you acquired in a previous job. You could develop a product or service for which your prior employer might be a prospective customer. You may even be interested in providing a product or service similar or related to that provided by your previous employer. In this case you should check with a lawyer to ensure your plans don't violate the legal rights of that employer. You must be certain your actions don't infringe on any patent, trademark or other proprietary rights, don't break any non-competition of other agreements you may have signed, don't involve the direct solicitation of your former employer's customers or similar legal matters.

b) Hobbies

Some people are deeply involved with their hobbies, often devoting more time to them than to their regular job. There are many instances of these secondary interests leading to new business ventures. For example, athletes may open sporting goods stores, amateur photographers open portrait studios, hunters offer guiding services and run hunting lodges and game farms, pilots start fly-in fishing camps, philatelists open coin and stamp stores, and so forth.

Many of these ventures do very well but there can be considerable conflict between a hobby and a successful business. Hobbies, typically, are activities that you and others are prepared to do at your own expense. This can exert downward pressure on the likely profitability of your business. As a result, margins are quite low in such things as the production of arts and crafts, small scale farming, trading in stamps, coins and other collectibles, antique automobile restorations and similar hobby-type business operations.

c) Personal Observation

Personal observation is the third common way of identifying a business idea, and for many people the most practical. These observations may arise from two sources:

i) Pedestrian Observation
ii) Deliberate Search

i) In many situations, ideas for a new product or service have resulted from simple observation of daily living situations. This commonly occurs in travel situations where you may observe product or service concepts being provided that are not yet available in the United States, Canada, or, perhaps, your local market area. Restaurant themes and concepts such as Thai, Mexican, health food and salads, etc. typically are

only established in Winnipeg after they have proven to be successful somewhere else. Sporting trends such as sail boarding and roller blading and fashion colours and styles are usually imported from outside the province as well. Being aware of these developments in other areas can be the basis for a successful local business.

The key components of this type of pedestrian search are to recognize the need for a new type of product or service offering and then work out some kind of solution. The need may emerge from your own experience in the marketplace, be expressed by someone else who has recognized some opportunity or problem, or be the result of observing the behaviour of other people. Regardless of its source, this type of simple observation can be the source of numerous excellent new business ideas.

ii) While a deliberate search may seem to be the most rational way of finding viable business ideas; in fact, most new ventures do not start in this manner. Rather than resulting from some type of methodical search process, the majority of business start-ups arise almost incidentally from events relating to work or everyday life. This approach should not be completely ignored, however, as it can be fruitful if you are committed to investigating the possibilities of starting a new business but lack the seed of any real likely idea. A deliberate search process can be initiated by consulting the following sources:

1. Reading business publications and other printed sources such as newspapers, specialty magazines, newsletters, trade publications and similar information. Your public library or the library at the **Business Resource Centre** of the Department of Industry, Trade and Tourism has a number of such publications.

2. Attending trade shows, inventor shows, fairs and conventions.

3. Contacting patent brokers and product licensing information services.

4. Discussing ideas with friends, acquaintances and other social contacts.

5. Contacting various federal and provincial government agencies and departments.

As you go about engaging in this kind of search it is important to maintain a list of your ideas as they come to mind. If you don't write your thoughts down as they occur, they may be lost forever and a number of viable business ideas along with them.

Karl Vesper (1) has developed a generalized scheme for describing possible personal strategies for "stacking the deck" in favour of discovering more attractive new business ideas. This scheme is illustrated in Figure 1 and shows the relationship between you and your background, your understanding of your particular strengths and capabilities, tactics you might have employed to better prepare yourself for undertaking your own business and the generation of possible ideas and opportunities for your venture. An integrated relationship of this nature is essential to success in a new business.

Areas of Future Opportunity

In searching for a unique business idea with growth potential for the future the best thing to keep in mind is the dynamic changes taking place within our society, our economy and our everyday way of doing things. These changes are usually difficult to get a handle on and to understand their implications for new business possibilities, but they represent the principal areas of significant business opportunity available today. If you think about it for a minute, most of the major growth areas in business today like computers and information technology, cable television systems, fast foods, a wide range of personal services, direct selling by mail, telephone and television, etc. really didn't even exist just a few short years ago. Now they are so common place we take them for granted. Getting information on emerging trends and assessing their implications for various business situations can be a major road to significant business success.

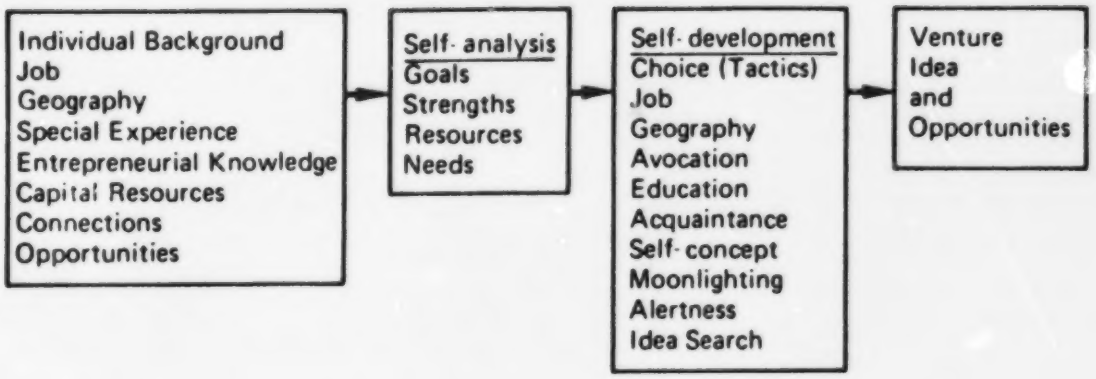
Well, what can we expect in the future. No one has a crystal ball which can predict these changes with 100% accuracy, but many books and business publications provide projections of future trends and changes that can be useful to the insightful observer. For instance, John Naisbitt's recent best seller, Megatrends, identified a number of major transformations or megashifts he saw occurring in North American society that could have dramatic business implications for an enterprising individual (2). These included:

- a movement from an industrial society to an information society
- a shift in orientation from concern about national economies to a world economy
- a change from political control by centralized structures to more local control by provinces, cities, neighbourhoods, etc.
- a shift in population from the North (Frost Belt) to the South (Sun Belt).

and so on. These kind of global social changes define the

Figure 1

Deck Stacking



future orientation of our society and all spell p o t e n t i a l opportunity for an aggressive entrepreneur.

In a similar vein, Catherine Callaghan has identified 10 trends in Canadian consumer markets that could modify the face of contemporary business and represent significant opportunity for observant business people (3). Among the more significant are:

- Cocooning or increased emphasis on eating, entertaining, shopping or just relaxing at home. This has implications for such businesses as take-out foods, home entertainment systems, electronic security systems, the demand for "smart" homes, home renovations and a broad range or other home-oriented products and services.

- Time-saving Convenience. The desire to "save" time by many consumers will result in growing demand for all sorts of products and services that leverage time, from quick serve meal systems to non-store retailing concepts.

- Attractive Aging. Products that will help the consumer age gracefully or reluctantly are expected to be in vogue. This will include things like anti- wrinkle creams, cosmetic surgery, hair pieces, clothes that flatter sagging bodies and similar products.

- Wellness. The health and fitness craze we see today is expected to continue and even grow. Future consumers will live longer and be more concerned about their health. Exercise, good-tasting nutritional foods with appropriate labelling, environmentally safe products, and others items that contribute to a positive lifestyle are expected to prosper.

- Concern for Quality. Consumers seem to be becoming increasingly concerned for quality and consider the total life cycle cost of many of their purchases more so than the initial purchase price. This appears to be particularly true amongst the so-called "yuppies" in their acquisition of everything from homes to clothes to cars.

- Personal Services. Consumers and businesses alike are more prepared to pay others to perform tasks they can't or won't do themselves. This is particularly true of services that help save time or reduce the amount of time the customer has to spend performing personal and home related tasks. Examples include everything from house , plant and pet sitting to the home delivery of luxurious gourmet meals.

- Exotica. With more discretionary income many consumers, particularly older consumers are prepared to indulge

themselves in more exotic personal, leisure and entertainment purchases. Sales of everything from spas and hot tubs to custom made golf clubs and long holidays in distant regions of the world have boomed and have considerable potential to continue.

- Maintaining Tradition. While demand for the exotic has exploded, there are still strong feelings about maintaining a sense of tradition. Large traditional wedding are back in style and there seems to be a return to a stronger family orientation after a decade or two of the "me" generation. This will be reflected in people's purchasing patterns and how they spend their time.

- More Customization. Today's consumers seem to be becoming more concerned with distinctiveness and individuality rather than wanting to follow the crowd. Products that can be tailored to the exact specifications of the customer while maintaining competitive prices will likely do well. Examples could include everything from homes, cars, clothes, vacations, and even perfumes.

- Affordability. While many of the earlier trends presume a more affluent consumer market, not everyone will fall into that category. Products and services that offer good continuing value will always be in demand and innovative ways to provide familiar things at lower prices will be very popular. Witness the recent growth in discount and off price retailing of well known, branded products. Good value at an affordable price is always in demand and will continue to be so.

Any of these trends may represent an area of significant opportunity for the observant individual. Keeping on top of these shifts can provide the inspiration for many significant new business opportunities. As John Naisbitt said in Megatrends "Trends, like horses, are easier to ride in the direction they are going."

Some Specific Ideas and Concepts for the 90's

As a result of considering all these evident trends there are a number of specific business ideas that are expected to do well in the marketplace in the 90's. This list is by no means complete but will give you a few suggestions to think about in trying to develop ideas for a new business of your own.

1. The automotive after-market is growing and is expected to continue to remain strong. The high price of new automobiles causing consumers to hang on to their cars longer and the growth of self-service stations without repair facilities are factors that contribute to this situation. Specialized repair

shops focussing on such areas as mufflers, brakes, transmissions, cleaning and detailing, painting and cooling system repair are all likely growth businesses.

2. Consumer demand for the various types of fast food seems to be virtually insatiable. While hamburgers and other beef products appear to have stabilized, the market for pizza, donuts, Mexican food, chicken and other fare continues to expand. This situation will likely continue with salads, diet menus and health foods of various types being good possibilities for future hot product areas.

3. Leisure and recreational activities will continue to grow. Jogging, squash, cross country skiing and similar activities appear to be on the wane but walking, golf, snowboarding, downhill skiing, surfing and the like are expanding everywhere. Specialized products and clothing for each sport are also increasing in popularity, not only to participate in that particular activity but to achieve that "look". Most surf wear, ski jackets and similar products are sold to non-surfers and non-skiers located far away from the ocean or the mountains.

4. The aging population will create growth opportunities for many products and services catering specifically to the needs of relatively affluent senior citizens. These include specialized housing developments with health care, recreational and similar facilities already built in, nursing homes, travel agencies and tour packages specifically developed for the needs of this group, food products, processes and package sizes developed with the requirements of seniors in mind as well as a broad range of similar items.

5. Products and services that claim minimal or no impact on the environment or encourage recycling are likely to increase in popularity. Environmentally friendly soaps, cleaners, shampoos, packaging materials and similar items will probably find a growing market. Similarly products that can be recycled and systems that provide a means for recycling these items will also be successful.

6. Energy management and products that provide for the more efficient use of scarce energy resources will also do well.

7. Increasing consumer affluence and more leisure time will provide endless opportunities for new products and services. Tennis and recreational clubs, full-service campgrounds, exotic travel ideas and tour packages, social clubs and organizations, do-it-yourself concepts and services that enable people to experience unique activities from sky diving to bungee jumping are all likely to do well.

8. Franchising is one of the fast growth areas of the Canadian economy and shows very few signs of slowing down. While the concept has principally been associated with the fast food business, the majority of this future growth is likely to occur in other sectors such as:

- professional practices providing dental care, legal services, optical services and taxation and financial services
- non-food retailing of postal and packaging services, home renovation and repair, temporary health services, printing and copying centres, weight control centres and hair and beauty salons.
- convenience services and stores providing home furnishings and accessories, picture framing, rental of home videos, computers and home electronics, and "fill-in" items of various sorts that consumers require between their regular visits to conventional supermarkets and department stores.

Evaluating Your Ideas

Discovering ideas is only part of the process involved in starting a business of you own. These ideas must be screened, evaluated and a selection made of those that warrant further investigation. Richard Buskirk of the University of Southern California has designed a framework you can use to evaluate the pros and cons of your potential business ideas (4). He calls it the "Ideal" or "Model" business. The framework contains 19 distinct factors that affect the chances of success for any new business. Very few ideas will conform precisely to the specifications of the model but the more a business idea deviates from the "Ideal", the more difficulties and greater risks you will encounter with that venture. Testing your concepts against the model will also help identify the areas in which you might expect to have difficulties with your business.

THE "IDEAL" BUSINESS

- Requires no investment
- Has a recognized, measurable market
- Intended customers have a perceived need for the product or service
- Dependable source of supply for required inputs
- No government regulation
- Requires no labour force
- Provides 100 percent gross margin
- Buyers purchase frequently
- Business receives favourable tax treatment
- Receptive, established distribution system

- Business has great publicity value
- Customers pay in advance
- No risk of product liability
- No technical obsolescence
- No competition
- No fashion obsolescence
- No physical perishability
- Impervious to weather conditions
- Possesses some proprietary rights

Let's briefly discuss each of these factors.

No Investment

If you don't have to put any money into your business, then you can't lose any if it fails. You only lose the time you have invested. The more money that must be committed to the venture, the larger the risk and the less attractive that business becomes. Some new businesses such as fancy theme restaurants may require so much initial capital there is really no way they can be financially profitable. Smart business people tend to avoid businesses that require large investment of their own money.

Has a Recognized, Measurable Market

The ideal situation is to sell a product or service to a clearly recognized market that can be relied on to buy it. This may require doing a preliminary investigation of the market acceptance of your idea or concept. Look for some market confirmation of what you propose to offer before proceeding any further with your business.

Perceived Need for Your Product or Service

Ideally, your intended customers should already perceive a need for what you intend to sell them. They should know they need your product or service now, thus simplifying your marketing efforts. If they don't recognize their need, you have to first persuade them they need the concept and then convince them to buy it from you. Try to avoid products or services that require you to educate the market before you can make a sale.

Dependable Source of Supply for Required Inputs

Make certain you can make or provide what it is you plan to sell. Many businesses have failed because they were unable to obtain essential raw materials or components under the terms they had originally planned. Sudden changes in price or availability of these key inputs can threaten the viability of your entire venture. Large corporations commonly try to directly control or negotiate long-term contracts to assure reliable and consistent supplies. You have to be just as concerned if there are only one or two sources

for the materials you require.

No Government Regulation

The ideal business is not impacted at all by government regulation. This is impossible in today's world but some industries are more subject to government involvement than others. Food, drugs, financial services, transportation, communications, etc. are all examples of businesses that require extensive government approval. If your business falls into this category, make sure you understand how government regulations will affect you in terms of time and money.

Requires no Labour Force

The ideal business requires no labour force. Once you hire an employee you have a lot of government paperwork to deal with in reporting unemployment insurance, Canada Pension, and other legal requirements. You are also subject to a broad range of regulations that relate to such things as occupational health and safety, human rights, pay equity and similar issues. Few small business people enjoy dealing with these requirements and they can be quite time consuming. If your business demands the hiring of additional employees you must be prepared to take on the responsibility for managing these people effectively.

Provides 100 Percent Gross Margin

While virtually no businesses provide a 100 percent gross margin, the idea is that the larger the gross margin, the better the business. Gross margin is what you have left after paying the direct material and labour costs for whatever it is you are selling. For example, say you are running an appliance repair business. A typical service call takes one hour for which you charge the customer $50. However, this call cost you $15. in direct labour and $5. in parts and materials. Therefore your gross margin is $30. or 60%. Service industries like this generally have larger gross margins than manufacturing businesses.

In businesses with low gross margins, small errors in estimating costs or sales can quickly lead to losses. These businesses also tend to have a high break-even point making it very difficult to make a lot of money. High margin businesses, on the other hand, can break even with very small sales volumes and generate profits very quickly once this volume of business is exceeded.

Buyers Purchase Frequently

The ideal business provides a product or service customers purchase very frequently. This gives you more opportunities to sell to them so they might at least give your business a try. Frequent

purchasing also reduces their risk in case your offering doesn't live up to their expectations. You are much more likely to try a new fast food restaurant that has opened in town than you are to purchase a new brand or type of washing machine, FAX machine, stereo system or other infrequently purchased items.

Business Receives Favourable Tax Treatment

Firms in certain industries may receive tax incentives such as accelerated depreciation on capital assets, differential capital cost allowances, investment tax credits or va ious other tax breaks. The ideal business will receive some sort of favourable or differential tax treatment. This sort of advantage can make your business more profitable and attractive to other investors, should you require outside capital.

Receptive, Established Distribution System

Ideally, your business should sell to established middlemen and distributors who are eager to handle it. If you have to develop a new method of distribution or are unable to obtain access to the existing one, getting your product to market can be a long and costly process. If traditional wholesalers and retailers are not prepared to carry your line, achieving any reasonable level of market coverage can be extremely difficult.

Business Has Great Publicity Value

Publicity in magazines, newspapers and on television has great promotional value, and what's more, it's free. If your offering is sufficiently exciting and newsworthy to grab people's attention, the resulting publicity may be sufficient to ensure a successful launch for your business. Chip and Pepper Wetwear, a business to clean up the "doggie doo" in your back yard on a regular basis, and favourable reviews of local restaurants by newspaper food critics are all examples of situations that have benefitted tremendously from publicity.

Customers Pay in Advance

One of the principal problems facing most new businesses is maintaining an adequate flow of cash. Small firms typically are chronically short of cash, the life blood they constantly require to pay their employees, their suppliers and the government on a regular, ongoing basis. The ideal business has customers pay for their orders upon giving them. This, in fact, is the case in many small retail and service firms, the direct mail industry and for manufacturers of some custom-made products. Businesses with payments in advance are usually easier to get started, have smaller start-up capital requirements and don't suffer losses due to bad debts incurred on credit sales.

No Risk of Product Liability

Some products and services are automatically subject to high risk from product liability. Anything ingested by the customer such as food and drug products, amusement facilities such as go-cart tracks and water slides and many manufactured products which possibly could cause injury to the user are loaded with potential liability. Liability can even occur in unexpected situations such as the serious injury recently sustained by a local golfer when his golf club shattered and stabbed him in the chest. Try to avoid these businesses if possible. Otherwise, take every precaution to reduce this risk and carry lots of insurance.

No Technical Obsolescence

The ideal product or service should not suffer from technical obsolescence. The shorter its expected technical life expectancy, the less desirable it is as an investment. Products like popcorn, shampoo, garden tools, electric drills, etc, seem to have been with us for as long as most of us can remember. On the other hand the compact disk player, video cassette recorder and personal computer are of recent origin and are undergoing rapid technological transformation. Businesses built around these products are extremely risky for smaller firms with a very high probability of failure.

No Competition

Not having any competition can certainly make life much easier for a new small business. We must be careful. however, to consider why no competitors might exist. Maybe the offering is so new to the marketplace that no other firms have had a chance to get established but, be careful. Perhaps other firms have already determined there really is no market for what you are planning to provide. Too much competition can also be a problem since aggressive price competitors can make it very difficult for you to turn a profit.

No Fashion Obsolescence

Fashion products usually have extremely short life cycles. You must make sure you can make your money before the cycle ends or be prepared to keep coming up with an ongoing series of acceptable products season after season if you hope to build your business into a sizable enterprise. Fashion cycles exist not only for clothing and similar products but for items like toys and other things as well. Witness what happened with the Hula Hoop, Wacky Wall Walker, Rubic's Cube and Cabbage Patch Kids.

No Physical Perishability

Products with a short physical life have only a limited window available for their disposition. This applies not only to most food items but to a wide variety of other goods such as photographic film as well that will spoil if not used within a certain time. If your product is perishable, your business concept must have some method of selling your inventory quickly or a contingency plan to dispose of aged merchandise before it spoils.

Impervious to Weather Conditions

Some businesses by their very nature are at the mercy of the weather. If the weather is right for them, they prosper. If not, they may go broke. Pity the ski resort owner without any snow, the water slide operator with a year of unseasonably cold weather, the beach concession during a summer of constant rain, the market gardener in the midst of an unexpected drought. The ideal business should not be impacted by these unpredictable changes in the weather.

Possess Some Proprietary Rights

The ideal business should possess significant proprietary rights that give it some unique characteristic and protection against competition. These rights can be in the form of registered patents, trademarks, copyrighted material or even protected trade secrets. These rights might also be in the form of licensing agreements that provide some sort of exclusive manufacturing arrangements or, perhaps, even the rights for the exclusive distribution of certain products in particular markets. Gendis Corporation, for example, was largely built on the rights to distribute, first, Papermate and then Sony products in Canada on an exclusive basis.

To summarize the characteristics of your business in terms of how well it fits with our "Model" business you might wish to complete Figure 2.

Figure 2

1. Evaluate your business in comparison to the "Model" business by indicating the extent to which it possesses or doesn't possess each of the indicated factors. If your evaluation is poor or terrible, can you think of any way to overcome the situation or other solutions to the problem?

	Fit With Model Business				
	Excellent	Good	Average	Poor	Terrible
No Investment					
Recognized Market					
Perceived Need					
Dependable Supply					
No Government Regulation					
No Labour Force					
100% Gross Margin					
Frequency of Purchase					
Favourable Tax Treatment					
Established Distribution					
Great Publicity Value					
Pay in Advance					
Product Liability Risk					
Technical Obsolescence					
Degree of Competition					
Fashion Obsolescence					
Physical Perishability					
Impact of Weather					
Proprietary Rights					

2. After completing this evaluation, does it still make sense to proceed with your business idea? Can you explain why?

How to Proceed

Once you are satisfied you have identified an idea that represents a significant business opportunity the next step is to determine the best way to proceed. There are all sorts of ways people start new enterprises. They are called "entry strategies." We will describe a number of the more common approaches. Pick the one you think is the most appropriate for your particular circumstances.

Best for You

1. One possibility is to find a business presently operating in your area of interest, buying it , and taking over its operations. You may want to buy the business because it is already quite successful but the current owners want to get out for some reason or the business may not be doing very well under the current owners but you feel you could turn it around.

   This can be a good entry strategy. A good deal of time and effort are involved in the start-up phase of any business. This stage can be bypassed when you buy a going concern. You also acquire a location, customers, established trade relationships and a number of other positive elements.

   These advantages don't come for free, however. An existing business may cost you more than getting into a similar business on your own. The current owner may expect to receive "goodwill" for certain assets they have acquired or the effort they have devoted to the business so far. You may also inherit some problems in acquiring a business such as obsolete equipment, the image and reputation of the previous owners or internal labour difficulties. For a more complete discussion of this entry strategy refer to **"Stage 3: Should You Start a New Business or Buy an Existing One?"** of A Self-Evaluation Guide to Starting a Business of Your Own available from the Manitoba Department of Industry, Trade and Tourism.

   Yes ___ No ___

2. Another alternative is to buy the rights to operate a business that has been designed and developed by someone else or to acquire a franchise. Under a franchise agreement an established company with one or more successful businesses operating in other locations provides assistance to a new firm in breaking into the marketplace. In return the new owner or franchisee pays a fee for the assistance, invests money to set up and operate the business, pays a percentage of sales as a royalty to the franchisor and agrees to operate the business within the terms and conditions laid out in the franchise agreement.

   The assistance provided by the franchisor can take many forms such as:
   - the right to use the franchisor's brand names and registered trademarks
   - the right to sell products and services developed by the franchisor
   - use of operating systems and procedures developed by the franchisor
   - training in how to run the business
   - plans for the layout of the business facilities and the provision of specialized equipment
   - a regional or national advertising program
   - centralized purchasing and volume discounts
   - research and development support

While the failure rate of franchised businesses is reported to be lower than that for independently established firms, there are a number of disadvantages associated with the concept. For more detailed information refer to the **"Manitoba Franchise Guide"** available from the Manitoba Department of Industry, Trade and Tourism.

Yes ___ No ___

3. The third and probably most common means of getting into business for yourself is to start a business of your own from scratch. This is the route most frequently travelled by the true entrepreneur who wants a business that is really his own creation. Starting you own business can take many forms and involve

a variety of entry strategies. While unable to discuss all the possibilities here in any detail, a few alternatives will be mentioned to get you thinking about their fit with your particular situation. Some of the possibilities available for you include:

i. Develop an entirely new product or service unlike anything else available in the market

Yes ___ No ___

ii. Acquire the rights to manufacture or sell someone else's product under license. These rights could be exclusive to a geographic area or a specific market

Yes ___ No ___

iii. Recondition or rebuild products that have come to the end of their primary useful life

Yes ___ No ___

iv. Supply raw materials or build component parts for other firms to incorporate into their market offerings

Yes ___ No ___

v. Add incremental value to products and services already available in the market. This may involve putting the product through an additional production process, combining it with other products, or providing the product as one element in a larger package

Yes ___ No ___

vi. Improving an existing product or service by making it more convenient or inexpensive; by making it safer, slower, cleaner or faster; by making it easier to package, store or transport; by making it easier to use; by making it lighter, stronger, adjustable, thinner or more compact; and so on

Yes ___ No ___

vii. Finding a product or service that is doing well in the market and copying it

Yes ___ No ___

viii. Look for products that may have previously failed due to poor management or faulty marketing and developing a new strategy for them

Yes ___ No ___

ix. Look for patents that may have commercial value but which have never

been marketed. Arrangements can be made to buy them or license them

Yes ___ No ___

x. Become an agent or distributor for products or services produced by someone else. These may be domestically produced or imported from other countries

Yes ___ No ___

xi. Open a trading house or become a selling agent for Canadian firms who may be interested in selling their products or services abroad

Yes ___ No ___

xii. Develop a consulting service or provide information to other people in a subject area you know very well

Yes ___ No ___

xiii. Find uses for by-products of other production processes, left-over and surplus material or imperfect or substandard production produced by other firms

Yes ___ No ___

xiv. Improve on existing products by finding lighter, cheaper or stronger materials from which to make them

Yes ___ No ___

xv. Become a supplier to another producer or large institutional customer. Large organizations require an extensive range of raw materials, supplies and component parts to run their business. A small portion of their requirements may represent a significant volume of sales for you

Yes ___ No ___

xvi. Identify an opportunity to replace a product being imported into the country with one produced domestically or vice versa

Yes ___ No ___

xvii. Identify a situation where another firm has dropped what may still be profitable products or product lines. They may have abandoned customer groups or market segments that are uneconomic for them to serve effectively but which may still be quite lucrative to a smaller company.

Yes ___ No ___

xviii. Combine two or more different products or services into a single offering which may be quite unique or distinct. This could involve combining the sale of a product with an installation program or in conjunction with an extensive service package, for example

Yes ___ No ___

xix. Employ the talents and skills of unemployed or underemployed people in the community to your advantage. For example, professional and trades people often moonlight on weekends and in the evening. They could provide you with a source of competitive advantage

Yes ___ No ___

xx. Borrow an idea from one industry and transfer it to another. A product or service that has been well accepted in one industry situation may well represent a substantial opportunity in other circumstances

Yes ___ No ___

xxi. Look for products that have been developed by other people but which need more effective distribution or marketing to succeed

Yes ___ No ___

xxii. Find a product or service which is quite successful in your local market and identify new areas of opportunity, perhaps in another geographic location

Yes ___ No ___

xxiii. Organize and promote conferences, conventions, trade shows, festivals and other types of meetings and special events

Yes ___ No ___

xxiv. Look for opportunities to capitalize on unusual occurrences or special circumstances or events. You may be able to piggyback your business on to these situations

Yes ___ No ___

Reflecting on these alternatives and judging how they fit your specific idea and with your particular abilities and circumstances will enable you to turn these ideas into real opportunities. No general rules have been developed to guarantee success or even to indicate which concepts and strategies will work best in different situations. But being aware of the possibilities will give you a clearer picture of the job you need to do in order to succeed with a business of your own.

Conclusion

Once your principal area of opportunity has been established and an appropriate entry strategy identified, your business concept has to be fully developed and fleshed out into a comprehensive business plan. Assistance is available through the **Business Resource Centre** of the Department of Industry, Trade and Tourism in Winnipeg and Brandon to help you with this process. In addition, a variety of publications can be obtained from the Department that will be very useful to you. These include:

Information Pamphlets:
- Starting a Small Business in Manitoba

Small Business Management Systems:
- Retail Business Plan
- Service Business Plan
- Construction Business Plan
- Manufacturing Business Plan
- Small Business Finance Plan
- Marketing
- Bookkeeping
- Manitoba Franchise Guide

Entrepreneur's Handbooks:
- Forms of Business Organization
- Starting a Retail Clothing Store
- Starting a Gift store
- Starting a Bookstore
- Starting a Convenience Food Store
- Starting a Sporting Goods Store
- Starting a Service Station
- Starting a Coin Operated Laundry
- Starting a Mail Order Business
- Starting a Home Furnishing Store
- Starting a Bakery
- Starting a Travel Agency
- The Handicraft Business
- Starting a Hardware Store
- Starting a Restaurant

Self-Evaluation Guides to Starting a Business of Your Own:

Stage 1 Assessing Your Potential for an Entrepreneurial Career

Stage 2 Finding and Evaluating a Product or Service Idea

Stage 3 Should You Start a New Business or Buy an Existing One?

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